

SECURITY INFORMATION

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THRU : D/R ATTN: [REDACTED]
 Chief, Materials Division
 Acting Chief, Ferrous Metals Branch
 Comments on "Report on Alloy Metals"

9 July 1952

In general, it is felt that the subject study is certainly worthy of further pursuance. It is agreed that a study of the denial of strategic metals cannot be handled on a single country basis but must be applied to the Soviet Bloc as a whole.

Since this branch does not cover zirconium and titanium, remarks will be confined to molybdenum, vanadium, cobalt and tungsten.

Specific comments follow:

Page 1: para II

(a) As to the shortage of vanadium, it is believed that the USSR has sufficient quantities of this metal for their own iron and steel industry but that a shortage exists throughout the rest of the Bloc.

(b) China is producing tungsten at a high rate. Practically all of the concentrate goes to the USSR.

(c) Fifth line from bottom reading "and/or a lack of processing facilities within the bloc, etc." Comment: There are no facilities for the production of ferro-tungsten in Czechoslovakia, and it has been reported that none are contemplated. There are, however, facilities for the production of fe-tungsten in the USSR.

Fourth line from bottom reading "since the Czechs recently tried (unsuccessfully) to have Chinese tungsten ore processed in Austria". Comment: The Austrians recently reopened the question of processing Chinese tungsten ore for the Czechs, basing their appeal on the amount of pure tungsten they would retain for the processing, which it is claimed is essential to the Austrian steel industry.

Page 2:

(a) Under uses it might be better to say that tungsten and molybdenum are used as alloying elements in high speed cutting, hot-working die and punch and high temperature resisting steels and in hard-facing materials for abrasive resistance. It is true that to a certain extent molybdenum and tungsten are interchangeable as alloying elements but not in all cases without a decrease in the quality of the steels.

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25X1X

SECURITY INFORMATION

Ferro-Molybdenum: Czechoslovakia uses about 170 tons of pure molybdenum and about 80 tons of calcium-molybdenate annually. The calcium molybdenate is used in the Element Gottwald plants in Vrkovice. Czechoslovakia attempted to obtain ferro-molybdenum in 1951 at any price, and although Sweden appears to be the only overt source of the material for Czechoslovakia, ferro-molybdenum is not to be included in the new Czech-Swedish treaty.

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Field Comment: Since there appears to be no shipments of pure molybdenum into the Eastern Bloc, the possibility exists that purchases of molybdenum may be made by Czechoslovakia in the West, with the molybdenum combined with molten iron or steel and shipped in this form. Luxembourg appears to be the most probable country from which such shipments could be made.

Ferro-Tungsten: Because Czechoslovakia is importing this raw material directly from Manchuria, it is making no current attempts to purchase ferro-tungsten from the West. Czechoslovakia non-ferrous metal rolling mills manufacture drawn tungsten filaments for the electric and radio industries.

25X1A

(2)

Source was documentary. Czechoslovak Planned Imports of Raw Materials for 1950.

<u>Molybdenum</u>	From Great Britain	10 metric tons
<u>Fe-Molybdenum</u>	From US	112
	Great Britain	28
	Sweden	30
<u>Tungsten</u>	From Great Britain	15
<u>Fe-Tungsten</u>	From Yugoslavia	360
	USSR	20

Comment: Since Yugoslavia is included, it may be assumed that these plans for procurement were made prior to the Nitro-Coriniformal break. From these items, however, some measure of Czech requirements can be made.

Page 4: para. IV - East-West Trade in Tungsten

The largest source of tungsten is China and most of the production reaches the Bloc in the form of ore and concentrate. Only an insignificant amount, if any, of the concentrate is converted

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- 3 -
SECURITY INFORMATION

Page 6: Para. IV, sub-para. 2 25X1C

In addition [REDACTED] included, the following is available. It is similar, but the date is later and the amount of concentrates is increased.

25X1X

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The Netherlands firm of N.V. Hollandse Metallurgische Maatschappij, Arnhem, is reported to have sold, or is in the process of selling, 700 metric tons of tungsten concentrates to Metalines, Praha.

No attempt was made to include shipments of molybdenum and tungsten to other Satellite countries. The following, however, are additional sources and information on trade with Czechoslovakia.

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1. [REDACTED] West German exports to Czechoslovakia, May-Sept., 1950:

25X1A Tungsten metal and alloys, tungsten compounds. \$16,200

2. [REDACTED] Documentary. During the first three months of 1950, Czech received from the Soviet Zone of Germany:

25X1C Fe-tungsten-molybdenum-vanadium 100 metric tons

3. [REDACTED]

25X1C Czech is receiving Korean tungsten through Polish ports.

4. [REDACTED] As of
Mr-April, 1951.

During Mr.-April 1951, the Creditanstahl undertook the following financial transactions, bank guarantees and credits in connection with Austro-Satellite trade:

<u>Buyer</u>	<u>Austrian Reporter</u>	<u>Commodity</u>	<u>Am't in Gildings</u>
Petrorost, Praha	Metallwerke Plansee Gmbh, Tyrol	Tungsten wire	143
" "	" " "	Tungsten bars for "Arkator" welding	143
Povo, Praha	" " "	Molybdenum wire	5,600
" "	" " "	"	109
" "	" " "	"	1,656
" "	" " "	Tungsten contacts	6,051
" "	" " "	"	1,422
" "	" " "	"	143

~~SECURE~~
SECURITY INFORMATION

25X1A

5. [REDACTED] Purchases of Tungsten by Metalimex.
Businessman with extensive contacts in European circles.

Late in April, 1951, Metalimex made an arrangement with Treibacher Chemiche Werke of Villach-Seebach, British Zone of Austria, under which the latter firm agreed to refine 150 metric tons of tungsten ore to be supplied by Metalimex and to deliver to Czechoslovakia the resultant purified ferro-tungsten. Ore is said to be low-grade Chinese ore.

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6. [REDACTED] Austro-Czech trade agreement signed in Praha 15/7/49, a prolongation of the 1948-49 agreement. Present agreement to run until 30/6/50.

Austria to send: Molybdenum and tungsten wire, sheet etc.

12,000,000 Cs. net.

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[REDACTED]

WDH/ds

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